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SUBJECT: MOFAT OFFICIALS UPBEAT ON CURRENT ROK-PRC RELATIONS

REF: A. 05 SEOUL 5054
[1](#)B. 04 SEOUL 748
[1](#)C. 05 SEOUL 5347

Classified By: ACTING POL CHIEF SUNG Y. KIM. REASONS 1.4 (B, D).

SUMMARY

[1](#)1. (C) Ministry of Foreign Affairs and Trade (MOFAT) officials told poloffs January 20 that the generally positive state of ROK-PRC bilateral relations was attributable mainly to the expanding volume of bilateral trade and growing educational exchanges, but also partially to the recent deterioration in Korea's relationship with Japan. Beijing and Seoul enjoyed an unusually high number of high-level visits in 2005, culminating in the November summit between Presidents Roh Moo-hyun and Hu Jintao in Busan. The South Korean officials hinted at a possible visit to China by Roh in 2006, as well as a defense ministerial. They also reported that while the number of North Korean refugees seeking protection at ROK diplomatic facilities in China dropped in 2005, the number of South Korean POWs from the Korean War seeking to return to the ROK rose in the same timeframe. They speculated that Kim Jong Il's visit to the cities of Shanghai and Shenzhen might signal more openness to inter-Korean economic projects, such as the Kaesong Industrial Complex. END SUMMARY.

[1](#)2. (U) In a January 20 meeting with poloffs, MOFAT Northeast Asia Division II (China) Director Chung Kwang-kyun and Deputy Director Choi Young-sam provided a tour d'horizon of current ROK-PRC bilateral relations and discussed briefly the recent visit to China by North Korean leader Kim Jong Il.

BILATERAL RELATIONS GOOD, THANKS IN PART TO JAPAN

[1](#)3. (C) Chung assessed the overall bilateral relationship in the past year as "sound and generally well-managed," especially in light of the unexpected chill in Seoul-Beijing relations after a Chinese state-run history institute made controversial claims over the ethnic origin of the ancient kingdom of Goguryeo in early 2004 (ref B). The ROK public's outcry over Goguryeo had calmed over the intervening two years, while both the volume of trade and the number of high-level contacts between the two nations grew. The two governments also worked together closely on sensitive issues,

including keeping the DPRK engaged in the Six Party process and moving North Korean refugees safely to South Korea.

¶4. (C) Chung attributed the improved state of ROK-China relations in part to Seoul's deteriorating relationship with Japan, since the latter's continued inability to address history issues with its neighbors pushed the ROK and the PRC farther away from it and closer to each other. China's increasingly prominent role in the Six Party Talks as host and the most effective interlocutor with North Korea also contributed to Seoul's increasing desire to improve relations with China, Chung said.

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POSSIBLE SECOND ROH VISIT TO BEIJING, DEFENSE MINISTERIAL

¶5. (C) Per Chung, an unusually high number of high-level visits between Seoul and Beijing marked 2005, most notably the November 16 bilateral summit between Presidents Roh Moo-hyun and Hu Jintao on the sidelines of APEC. During Hu's visit -- the first to South Korea in ten years by a Chinese leader since Jiang Zemin's visit in 1995 -- the two governments agreed to expand the level of bilateral trade and initiate regular meetings between their vice foreign ministers (ref A). ROK Prime Minister Lee Hae-chan visited Beijing in 2005, as did the South Korean Foreign, Defense, and Education Ministers. Seoul and Beijing also expected to resume the bilateral security dialogue between their foreign and defense ministries. Chung, without elaborating on the timeframe, hinted that there could be another Roh-Hu summit in 2006 given that Hu invited Roh during their November summit to visit China for a second time. (NOTE: Roh's first visit to Beijing was mid-2003 -- shortly after his inauguration -- during which he and Hu signed a joint statement on expanding trade and security ties. END NOTE.) Chung added there could be a defense ministerial as well.

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HIGH TRADE VOLUME, STUDENT NUMBERS

¶6. (C) According to Chung, both governments were satisfied that the volume of bilateral trade surpassed USD 100 billion in 2005. China had been Korea's number one trading partner since 2004, and the ROK's trade surplus with China was USD 25 billion. South Korea committed approximately USD 3-4 billion for investment in China. Chung did not believe the level of the ROK's trade surplus with China would result in trade friction between the two nations, especially given Beijing's immense surplus in its global trade and its huge foreign currency reserves. In addition to growth in trade, the two nations continued to maintain high numbers of educational and cultural exchanges, Chung said. There were currently 35,000 Korean students enrolled in degree programs in China, making up the largest group of foreign students in the PRC. The actual number of Korean students could, however, exceed 100,000 counting students enrolled in short-term Chinese-language programs.

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FEWER NORTH KOREAN REFUGEES, MORE ESCAPED KOREAN WAR POWS

¶7. (C) On refugees, Chung reported there were currently fewer than 100 North Koreans awaiting processing for relocation to South Korea at the ROK embassy in Beijing. The number of refugees being sheltered at the ROK's mission and related facilities in China had declined somewhat recently due to heightened security by the Chinese government both in urban centers and at the DPRK-PRC border. Chung noted, however, that a growing number of ROK POWs from the Korean War who escaped North Korea had sought refuge at ROK diplomatic facilities. In 2005, 59 POWs entered the ROK embassy in Beijing. The ROKG had a different system for processing and evaluating POWs than that for North Korean refugees since "brokers" who shuttled North Korean refugees to ROKG facilities in China realized that the monetary reward from the families of returned POWs was potentially greater than the fees paid by refugees. As such, South Korea scrutinized the POW cases more thoroughly to ensure that the

POWs were not victims of human trafficking.

18. (C) Chung pointed out that the issue did not get much press coverage -- unlike the case of American or Korean POWs returned from the Vietnam War -- because the ROKG handled the cases with utmost secrecy for fear of negative reaction from China and the DPRK that could disrupt existing operations. There was also general understanding among the public and the journalists that wide publicity could affect the chances of the remaining 500-plus South Korean POWs to be reunited with families in the ROK. Chung added, however, that the ROK continually stressed to the Chinese government that the POWs were ROK citizens and must be allowed to return to their homeland.

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NOTHING ON KJI TRIP, SHANGHAI/SHENZHEN PARALLEL TO KAESONG?

19. (C) Turning to Kim Jong Il's recent visit to China, Chung complained that the Chinese Foreign Ministry had not yet provided a substantive read-out of Kim's meeting with Chinese President Hu Jintao. Information was slow since Foreign Ministry personnel did not participate in the meeting, Chung said. Deputy Director Choi opined that Kim's travel destinations in China offered some hints on what the North Korean leader was looking for and their relevance to North Korean economic development. Shanghai was an example of economic development resulting from serious economic reform and easing of regulations on market activity, while Shenzhen demonstrated economic development through outside assistance -- capital and product inflow from neighboring Hong Kong -- somewhat similar to the Kaesong Industrial Complex.
VERSHBOW